(c) whether any effort is being made to use high-gride Bailadila iron ore in Visakhapatnam Steel Plant for exports; and

(d) what steps are proposed for continued long-terms profitability for Visakhapatnam Steel Plant ?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI SONTOSH MOHAN DEV) : (a) Industrial Licence is no longer required for setting up steel plants provided the location is not within 25 kms of a city having a population of more than 10 lakhs as per 1991 census. Government will however provide all possible assistance to any entrepreneur proposing to set up a shore based large steel plant with potential for exports.

(b) The Operations of the various units commissioned at Visakhapatnam Steel Plant (VSP) are still under the process of stabilisation. For the present its efforts are to meet the internal demand of the consumers. VSP has also taken preliminary steps by exporting small quantity of some of their products.

(c) Visakhapatnam Steel Plant is linked to Bailadila Iron Ore Mines of the National Mineral Development Corporation, which produces a high grade iron ore.

(d) With a view to improving the long term financial viability of tht company the restructuring of the capital base of the company is under consideration of the Government. Further the management is taking steps for improving techno-economic norms thereby reducing the cost of production at VSP.

Durgapur steel modern section scheme

1518. SHRI RAM AWADHESH SINGH : Will the Minister of STEEL be pleased to state :

(a) whether it is a fact that one Seth and Associate Transport Company, has been working as a Transport handling agency in Durgapur Steel Modern Section Scheme for the last five years;

(b) whether it is also a fact that one SKS Movers Company, the lowest bidder, offered 20 per cent below the rate, which was given by the SAIL to Seth and Associates five years back but further extension has been given to Seth and Associates with previous rates by Director, Commercial ignoring the lowest offer by SKS movers company ; and

(c) whether it is a fact that Director, Commercial proposts to invite fresh tenders with high bid offers to protect his interests ?

THE MINISTER of, STATE OF THE MINISTRY OF STEEL (SHRI SONTOSH MOHAN DEV) : (a) to (c) M/s.Seth and Associates were the Material Handling Contractor at AIL's Dtwgapur, Stock-yard since 1-1-1987. The, contract period was to expire on 31-12-1991. Therefore, SAIL had floated a tender in November, 1991, for awarding a fresh contract and the contract period was extended till the time the fresh contract was awarded. The scope :,of .,(he contract for which bids were invited included both minor and major works, with only the prices quoted for the major works usually forming the basis for evaluation of bids. In all the bids received for the fresh contract, prices quoted for the minor works were lower compared to the bids for the old contract and those quoted for the major works were higher. M/s. SKS Movers were not the lowest bidder for the new contract.

There were 8 bids for the new contract. Since seven out of tht eight bidders did not furnish the required documents fulfil the eligibility criteria, the work was retendered and awarded to the lowest bidder on 24-3-1992 to start the work on 1-4-92. Since the work was not taken up by the new contractors on the stipulated date as was urgently required, the contract awarded to them was cancelled and awarded to the second lowest bidder viz. M/s. S. K. Sharma/SKS Movers on 6-4-92.

Steel plant daitari in Orissa

1519. SHRI GURUDAS DAS GUPTA : Will the Minister of STEEL be pleased to state :

(a) whether it is a fact that the "Bhoomi Pooja" for the steel plant at Daitari in